

CARMEL REDEVELOPMENT COMMISSION Meeting, Wednesday, July 21, 2010

President Ron Carter called the meeting to order at 6:39 p.m. Commission members Carolyn Anker, Bill Hammer, Greg Phillips and Jeff Worrell were present, constituting a quorum. Also present were Karl Haas, Les Olds, Don Cleveland and Matt Worthley.

Others present:

Michael Lee, Mike Anderson, Brandon Weddle, Mary Inchauste, Dan Moriarity, Jim Higgins and Teresa Carusillo

The Pledge of Allegiance was said.

Approval of Minutes

June 9, 2010: Moved for approval by Mr. Worrell, seconded by Mr. Hammer and unanimously approved.

June 16, 2010: Moved for approval by Ms. Anker, seconded by Mr. Hammer and unanimously approved.

June 28, 2010: Moved for approval by Mr. Hammer, seconded by Mr. Worrell and unanimously approved.

Financial Matters

Mr. Cleveland announced the June 2010 end of month operating balance for the CRC General Fund is \$6,937,839.

Mr. Cleveland requested the Commission's approval to pay invoices for the CRC General Fund in the amount of \$566,536.22. Discussion ensued with regards to Art of Wine event expenditures and the offset of costs from sponsorship and revenue. Mr. Olds stated an e-mail would be sent to all Commissioners with a specific breakdown of the event expenditures and revenue, pending review and discussion with the event coordinator. Ms. Anker moved to approve CRC General Fund claims as submitted. Seconded by Mr. Hammer and passed unanimously.

Mr. Cleveland requested the approval of PAC invoices for regular construction in the amount of \$1,690,050.18. This amount reflected an updated figure from what was distributed in the July Commissioners' packets. Mr. Cleveland noted the difference was due to the addition of an invoice from Gibraltar Construction. Mr. Worrell moved to approve expenditures in the PAC Construction fund, seconded by Mr. Hammer. Passed unanimously.

Committee Reports

The Plan Review and Interior Design Panel met Wednesday, July 14, 2010. Mr. Worrell stated the committee reviewed a presentation by Dan Moriarity of CSO Architects regarding the Gallery Level build-out of the Palladium. Mr. Worrell stated that, after

discussion, the committee was generally in favor of the plans as presented. The committee also reviewed a presentation from April Richwalski of Pedcor Development that encompassed the layouts, finishes and interior designs of the Patron Area and Board Room. Mr. Worrell stated the presentation had been previously reviewed and approved by the Executive Director of the Center for the Performing Arts. The committee voted unanimously to approve the proposed presentation.

Special Matter

Mr. Carter requested to return to Agenda Item 3c. - Special Matter to introduce representatives Jim Higgins and Teresa Carusillo from London Witte Group (LWG), who will oversee the Treasurer duties effective August 1, 2010. Discussion ensued regarding the roles and responsibilities of LWG vs. CRC staff and whom to direct questions.

Mr. Hammer asked Mr. Higgins to briefly describe London Witte Group's plan to meet with Council committees. Additionally, Mr. Carter requested London Witte Group separate and track time spent regarding Council and CRC inquiries. Mr. Higgins confirmed they will separate billing and detail between the two entities.

Mr. Higgins gave an overview of London Witte Group's plan for the transition of the City Clerk-Treasurer's office to London Witte Group as well as plans to meet with City Council committees and representatives. Mr. Higgins provided a background and work history of the London Witte Group representatives working with the CRC.

Update on Properties

Mr. Olds opened the floor to questions from the Commissioners regarding properties outlined in the monthly Commissioners' packet. Discussion ensued with regards to the Energy Center, Apostolic Church closing date and the public parking area behind Old Town Tavern.

Mr. Weddle with REI Construction, Project Manager for Parcel 7C, gave an update and slideshow presentation on the construction progress.

Mr. Anderson with Shiel Sexton, Construction Manager for the RPAC, gave an update and slideshow presentation on the construction progress.

Old Town Arts & Design District

Mr. Olds stated Clarian North Rock the District will take place on Saturday, July 24, 2010 and Clarian North Jazz on the Monon will take place Sunday, August 8, 2010.

Mr. Olds stated the use of the outdoor patio seating continues to grow.

Mr. Carter noted Pedal & Park will be in place at Rock the District, allowing patrons the opportunity to bike to the event.

Mr. Carter announced the individual responsible for the vandalism of the police sculpture has been caught and will be paying for the damage. Mr. Carter commended the police department for their quick and efficient job of catching the perpetrator.

Old Business

Approval of Contract for Parcel 47 – Arts District Lofts – Service Package

Bids were open at the July 14, 2010 CRC special meeting for Parcel 47 streetscape and Parcel 47 service package. Mr. Olds recommended the Commission award the contract only on the service package. Mr. Olds stated it was important the contract be awarded at the present time to allow the removal of generators and the final hookup to pumps for storm water.

Discussion ensued with regards to the breakdown of the contract amount and items included in the service package.

Mr. Hammer moved to approve the contract with LaFever Electric, Inc. in the amount of \$65,054 for the Parcel #47 Service Package, subject to available funding. Seconded by Ms. Anker and passed unanimously.

Approval of Contract for Parcel 47 – Arts District Lofts – Service Package (Alternate #1)

The Service Package (Alternate #1) would provide underground security conduits surrounding the Parcel 47 property and allow all security cameras and emergency call boxes for the project and underground public parking garage to tie directly into the City Communication Center. Mr. Olds stated the reasoning for addressing this item separately was due to the cost and to determine if the Commission wanted to proceed.

Mr. Olds stated that security cameras and call boxes could be installed without this conduit; however, without the conduit, it would not tie directly in with the City Communication Center.

Discussion ensued regarding security requirements, similar public parking garage projects in the Carmel area and which entities have paid for the projects.

Mr. Worrell clarified this was not an issue of whether or not to install security items, but rather to draw attention to who is paying for it. Mr. Olds confirmed the question was raised to make sure the Commission was comfortable with bearing the cost. Funds are in place to pay for the expenditure.

Discussion ensued with regards to the City budget and who from the City has been asked to pay these costs.

Mr. Worrell moved to approve the contract with LaFever Electric, Inc. in the amount of \$37,180 for the Parcel #47 Service Package (Alternate #1), subject to available funding; seconded by Ms. Anker. Mr. Hammer stated his support of the vote is due to his belief that it is important visitors and citizens feel safe and secure. Passed unanimously.

Approval of Contract for Parcel 7 – Regional Performing Arts Center: Furniture Package P10

Bids were opened for the RPAC: Furniture Package P10 at the May 19, 2010 CRC meeting. The bids were reviewed by the architects and designers and it was recommended the contract be awarded to OfficeWorks in the amount of \$714,487.73, subject to available funding. The contract amount came in lower than the original estimate. Architects have negotiated with the vendor that invoices do not have to be paid until all furniture is installed.

Ms. Inchauste with CSO Architects approached the podium to address questions. Discussion ensued regarding the breakdown of the contract amount, items included in package, and changes from the original bid estimate.

Mr. Worrell moved to approve the contract with OfficeWorks in the amount of \$718,487.73 for the Furniture Package P10 for The Palladium concert hall, subject to available funding. Seconded by Ms. Anker and passed unanimously.

New Business

Approval of TIF Excess Notification Letter

Mr. Olds explained the Commission is required to send a letter to the Hamilton County Auditor's office once a year that states there is no excess assessed value that may be allocated to overlapping taxing units. Mr. Olds stated this action item was a 'housekeeping' matter and asked the Commission ratify the letter.

Mr. Hammer moved to ratify the TIF Excess Notification letter and seconded by Mr. Worrell. Passed unanimously.

Authorize Signing of Contract with CRC Treasurer, London Witte Group

Mr. Olds noted counsel has reviewed and approved the proposed agreement between the Redevelopment Commission and London Witte Group.

Discussion ensued regarding the cost of London Witte Group's services.

Ms. Anker moved to approve the Executive Director of the Carmel Redevelopment Commission to execute the engagement letter with London Witte Group, LLC, subject to the draft that has been presented before the Commission. Seconded by Mr. Worrell and passed unanimously.

Approval of Settlement Agreements with RPAC Contractors

CRC staff and legal counsel have been meeting with trade contractors to respond to delay claims with regard to the RPAC roof problem and issue from summer of 2009.

The first claim was submitted by Complete Masonry. After review of the claim and after discussion and negotiation in meetings between the CRC, legal counsel and Construction Manager, it was recommended the CRC approve and pay a delay claim to Complete Masonry in the amount of \$100,000.

The Commission will seek to recover the costs of the claims from the various insurance companies involved in the process. Mr. Worrell noted the \$100,000 amount was determined after much negotiation and discussion between parties and that this is a settlement for their claim, not what was originally asked for.

Ms. Anker asked if there was a backup for the cost should it not fully be recovered from the responsible parties' insurance companies.

Mr. Haas stated the Commission will be at risk for recovering the full amount of settled claims and, should the full amount for which was settled be unrecoverable, the Commission would have to bear that cost. Discussion ensued regarding insurance policies for such claims.

Mr. Worrell questioned why the settlements are being paid before the funds are recovered from the insurance companies.

Mr. Haas stated there have been claims submitted by a number of contractors against the CRC, though this problem was not the fault of the CRC. Mr. Haas stated it would be difficult to manage the litigation of this number of parties while trying to conduct litigation or settlement negotiations with the bonding company and parties at fault and, thus, would be a prolonged and a much more expensive litigation. Paying the settlements at the present time would simplify and expedite the claims process and save legal costs that would exceed an amount that would most likely be unrecoverable.

Mr. Phillips questioned at what point the CRC would have to identify a dollar amount and make provisions for paying out any unrecovered funds.

Mr. Haas stated it was almost impossible to determine until they are well into settlement negotiations with the bonding company. Mr. Haas stated he would not give up the expectation, though it is not a guarantee, that the CRC will recover 100% of the funds in the final negotiations. Mr. Haas also stated that counsel would not recommend these settlements to the Commission if they did not feel there was a very good chance of recovering 100% of the funds. Mr. Haas said, if payments for unrecovered funds would be made at all, they would most likely be paid in 2011. Discussion ensued.

Mr. Worrell moved to approve Regional Performing Arts Center delay claim by Complete Masonry in the amount of \$100,000. Seconded by Mr. Hammer and passed unanimously.

The second claim was submitted by Circle B. After review of claim and after discussion and negotiation in meetings between the CRC, legal counsel and Construction Manager, it was recommended the CRC approve and pay a delay claim to Circle B in the amount of \$48,000.

Ms. Anker moved to approve the RPAC delay claim by Circle B in the amount of \$48,000, seconded by Mr. Hammer. Passed unanimously.

Other Business

None at this time.

Announcements

None at this time.

Adjournment

Ms. Anker moved the meeting be adjourned and seconded by Mr. Hammer. The meeting was adjourned at 8:44 p.m.

The next regularly scheduled meeting is Wednesday, August 18 at 6:30 p.m.